

PINAL COUNTY COMMUNITY COLLEGE DISTRICT  
RESPONSE TO MANAGEMENT LETTER  
FISCAL YEAR ENDED JUNE 30, 2002

MANAGEMENT LETTER

ITEM – The District needs to better prepare for implementation of new accounting standards.

RESPONSE – Because of the early implementation of the new reporting standards prescribed by GASB 35 along with other factors the District did not prepare the annual financial statements in a timely manner. To ensure the accurate and timely compilation of the annual financial statements, the District has made the fiscal year close and the compilation of the statements and supporting documentation a priority. In addition, the District will review the process for compiling the statements and support schedules and develop a written close-out timeline to ensure the information is compiled in accordance with authoritative pronouncements in a timely manner.

ITEM – The District should develop, implement, and test a disaster recovery plan.

RESPONSE – The District is developing an electronic files disaster recovery plan to augment current system back-up and data recovery procedures. The plan will examine the use of disaster prevention and recovery services provided by third party vendors as well as the deployment of a remote database back-up system. The disaster recovery plan is expected to be developed and fully implemented by the second quarter of calendar year 2004.

ITEM – Proper accountability should be established for endowment monies

RESPONSE – The District has entered into a formal, written agreement with the Central Arizona College Foundation outlining the recording, use, matching requirement, and disposition of federal grant funds to be used for endowment scholarships.

ITEM – Departments should maintain effective internal controls and supporting records for federal programs

RESPONSE – Procedures have been strengthened to ensure that the appropriate departments maintain the necessary documentation and controls for all grant subrecipients, such as correspondence with the grantor, maintaining participant files, and all reporting data necessary to comply with grant requirements. Procedures have further been modified to require a written agreement with each subrecipient and a statement of assurance from each subrecipient that the subrecipient has not been suspended or debarred from receiving federal awards. Also, subrecipients will be monitored on a periodic basis to ensure compliance with the subrecipient agreement and grant requirements.